

Professional accountants – the future:

Generation Next: managing talent in large accountancy firms



About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants, offering business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

ACCA supports its **200,000** members and **486,000** students in **180** countries, helping them to develop successful careers in accounting and business, with the skills required by employers. ACCA works through a network of **101** offices and centres and more than **7,200** Approved Employers worldwide, who provide high standards of employee learning and development. Through its public interest remit, ACCA promotes appropriate regulation of accounting and conducts relevant research to ensure accountancy continues to grow in reputation and influence.

ACCA is currently introducing major innovations to its flagship qualification to ensure its members and future members continue to be the most valued, up to date and sought-after accountancy professionals globally.

Founded in 1904, ACCA has consistently held unique core values: opportunity, diversity, innovation, integrity and accountability.

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About this report

The third in a series of sector-specific studies, this report explores the work preferences and career aspirations of the youngest professionals in large accountancy firms.



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Preface

Building a brilliant career in one of the largest accountancy organisations, namely the Big Four and mid-tier firms, has traditionally been seen as the ultimate hallmark of success in the profession. Offering great opportunities for progression, and significant investment in high-quality learning and development programmes, these organisations are one of the top-choice career destinations for those entering finance and accounting.

Across accountancy firms, however, innovative technologies and the ascent of a highly competitive digital economy are redefining client needs. To meet increased demands in the face of this extraordinary change, accountancy firms continue to diversify and evolve client offerings, increasingly expanding into digital, regulatory and broader consultancy services, alongside more traditional professional services such as audit and tax. This has implications for the people they hire and for the skills those people need.

Enter Generation Next. In 2016, ACCA conducted one of the largest-ever studies of the youngest cohort of workers operating in the global accountancy profession, across all sectors and size of organisations. Besides revealing a generation driven by ambitions for professional growth and global mobility, the survey also showed how younger finance professionals are ready to welcome and make the most of dramatic changes led by technology.

Building on the global study, this report is the third of a four-part series that brings deeper talent insights into specific sectors across the profession. This study takes a closer look at the aspirations of younger finance professionals in the largest accountancy firms today. Are their career aspirations similar to those of their peers in the wider profession? How do they intend to build their careers? What are their long-term aspirations and what does that mean for employers wanting to attract and retain top talent? This report provides answers to these questions.

Executive summary

In 2016, ACCA published the results of *Generation Next*, one of the largest-ever global surveys exploring the career ambitions and work preferences of nearly 19,000 members and students aged 16 to 36 years old across all sectors in the profession (ACCA 2016a).

This report forms part of a series of follow-up studies exploring the survey data by key sectors of the profession. This particular report focuses on over 2,200 respondents, all working for one of the top accountancy firms globally (either in one of the Big Four, or a mid-tier firm).

Overall, responses from this group broadly align to those across the profession. Just like their peers in other sectors, those in large firms also want fast progression and great learning opportunities that support their career development. Results also revealed the following insights:

- **The profession is seen as a springboard to long-term success** – young professionals in large accountancy firms see finance and accounting as a strong background to a successful career, providing an extremely valuable skill set to reach top leadership positions.
- **Digital is an opportunity** – the younger generation expect automation and technology to transform large accountancy services but they see such innovations as a key opportunity for adding more value to their roles.
- **Job satisfaction is evident (but so is poor work-life balance)** – young professionals in large accountancy firms are highly satisfied with their job, even more so than in other sectors. Professionals in this group however indicate a significant lack of balance between their work and their personal lives, more so than in any other sector across the profession.
- **Career development opportunities are highly attainable** – career progression opportunities and learning interventions are seen to be widely available in large accountancy firms, exceeding expectations of individuals prior to joining those firms.
- **Ambitions for fast progression and global working dominate** – young professionals in this sector are highly driven to progress fast and are ready to switch employers quickly to attain their career objectives; they have global aspirations and are willing to explore more general business roles as they progress in their career; and, in the future, the vast majority intend to move into the corporate sector, preferably within a large corporate firm.

Those findings were discussed with a number of large accountancy firms globally to provide further insights included in this report. Complete interviews are available online.¹

Throughout those conversations, there was some acknowledgment that employee turnover can be fairly high, partly because of the paucity of roles available at senior management level. For some employers however, such mobility is not necessarily an issue. Many large firms have structured alumni networks in place to help maintain contacts with former employees, consolidate a solid pool of potential future talent, and contribute to relationship building across industries.

This series of interviews also revealed how creating a sense of community is at the heart of large accountancy firms' retention strategies. More and more though, younger generations' growing appetite for mobility and change is compelling employers to rethink their approach to talent management.

At the same time, the shift to digital along with rising demand for new client services redefines the range of skills required in their organisations whilst directly impacting large firms' recruitment and engagement strategies.

This report provides further insights into those challenges and evolving practices.

¹ See: www.accaglobal.com/gen-next/large-firms





Introduction

Building on ACCA's *Generation Next* study (ACCA 2016a), which explored the work preferences and career ambitions of nearly 19,000 ACCA members and students aged 16 to 36 years old, this report focuses on those currently working in the largest accountancy firms globally, either with one of the Big Four, or in a mid-tier firm.

Across the Generation Next survey, over 2,200 respondents indicated they were working for one of the Big Four (namely PwC, EY, Deloitte and KPMG) or a mid-tier firm i.e. Grant Thornton, BDO, Baker Tilly, Mazars or RSM.

The data suggest that, for a majority of those young professionals, their current role was probably their first job since entering the profession. Across large accountancy firms, almost half of the respondents indicated they had been in their current role for less than two years (Figure A) and over 40% stated that their current organisation was the first they worked with since entering the profession, rising to over 50% for those in the Big Four (Figure B).



46%
of respondents had
been in their role for
less than two years

FIGURE A: How long have you been in your current role?

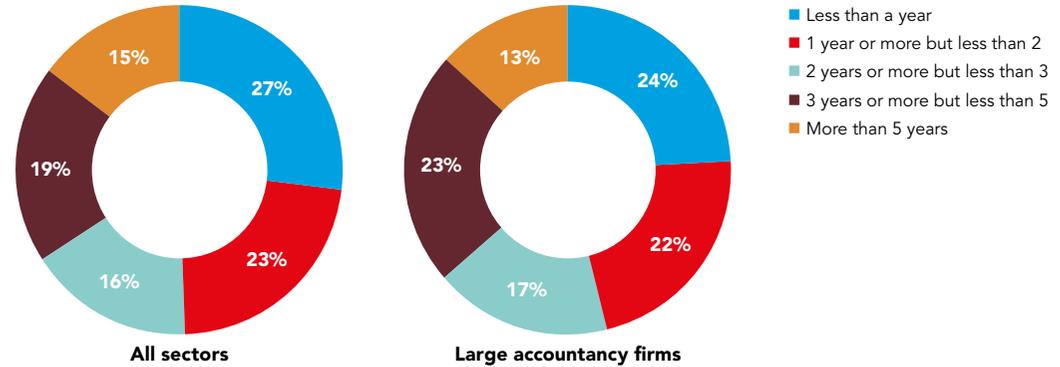
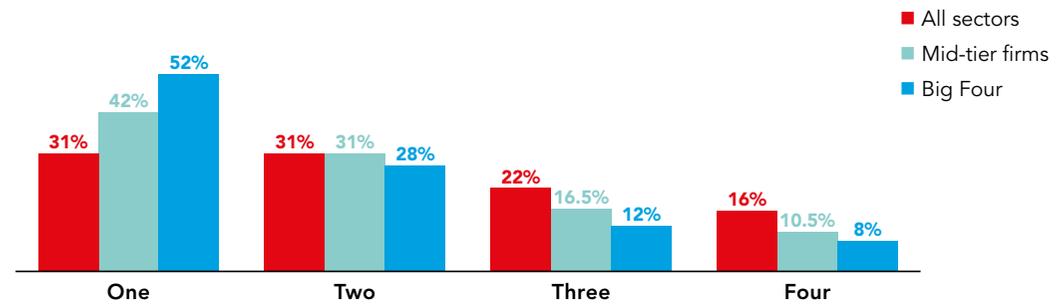


FIGURE B: Number of organisations worked for since entering the profession (including the current one)



Key findings

Most respondents in this study see entering the profession through accountancy firms as an unprecedented opportunity to build a broad and robust skill-set they value as providing long-term career prospects and success in the profession.

1. THE PROFESSION IS SEEN AS A SPRINGBOARD TO LONG-TERM SUCCESS

Across all respondents to the Generation Next survey (ACCA 2016a), including large accountancy firms' employees, there was considerable consensus that finance and accounting is a profession where significant long-term career opportunities exist.

The Generation Next study has shown how, globally, finance is generally seen as providing a strong business grounding for developing key skills at an early stage; across all sectors as well as in large accountancy firms, those entering the profession today overwhelmingly agree that a background in finance will be valuable for leaders of organisations in the future (Figure 1.1).

For respondents, particularly those currently working in mid-tier firms, the prospect of a successful long-term career with opportunities for developing wide-ranging skills, were determining factors in their decision to pursue a career in finance (Figure 1.2). Prestige and perceived remuneration opportunities were also important considerations for large accountancy firms' respondents, while the opportunity to use their skillset outside of finance into broader business roles scored lower than the average across sectors in this group.

This finding echoes earlier research into Generation Next in Small and Medium Sized Practices (ACCA 2017c). This study indicated that, in contrast to respondents in other sectors of the profession, those currently working in a SMP appeared to have a strong desire to build a career path (initially at least) that is more centred within the confines of traditional roles in the accounting and finance profession. Perhaps such analysis also applies to respondents in large accountancy firms, albeit in the short-term. This is discussed further in section 5 of this report.

FIGURE 1.1: Do you think a background in finance and accounting will be valuable for organisation leaders in the future?

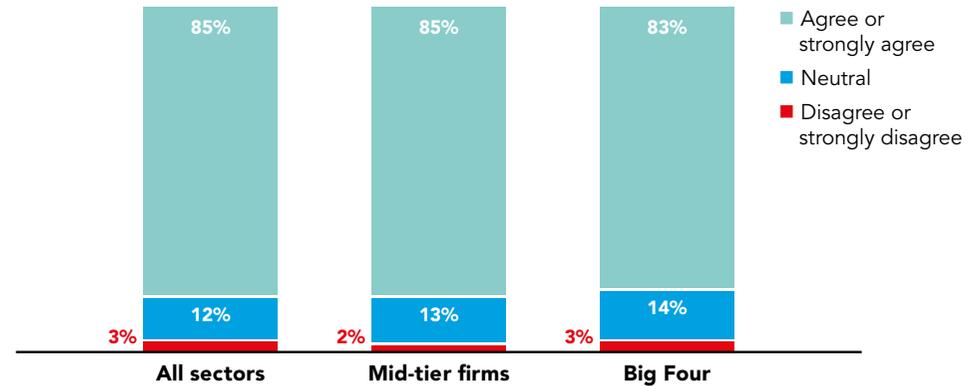
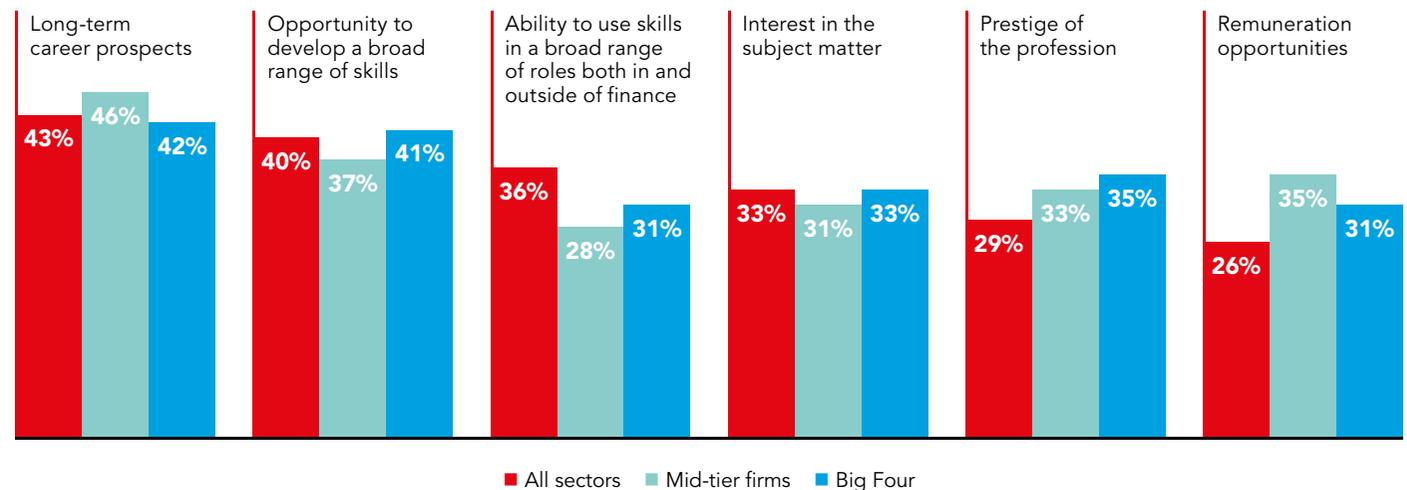


FIGURE 1.2: What attracted you to a career in finance?

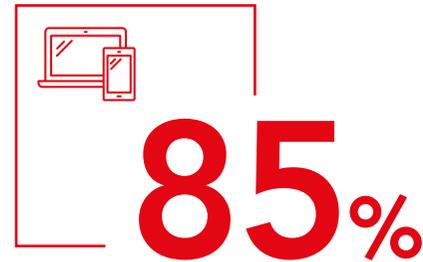


2. DIGITAL AS AN OPPORTUNITY



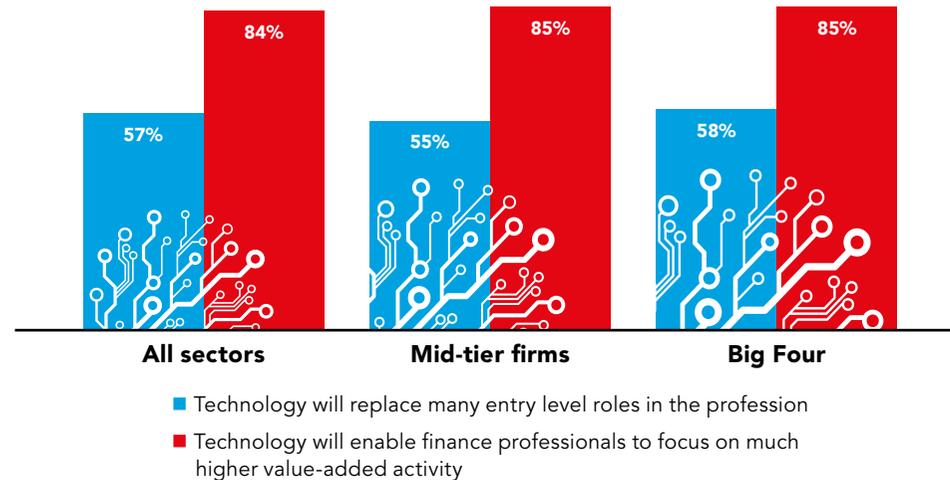
As across all other sectors, younger professionals in large accountancy firms also believe that technology will have a positive impact on career opportunities, and they see themselves as well placed to take advantage of this.

Like their peers across the profession, those working in the Big Four and mid-tier firms are aware of the impact of digital transformation on skills and responsibilities in finance and accounting; they appear well-prepared to embrace such changes as a means of increasing the value of their roles in the future (Figure 2.1).



of respondents in large accountancy firms see technology as an opportunity to focus on much higher value-adding activity

FIGURE 2.1: The impact of technology



The Generation Next study follows from ACCA's work on Professional Accountant – the Future (ACCA 2016b), one of the world's biggest piece of global research into the future of professional accountancy. This analysis suggests that the professional accountant of the future will need an optimal and changing combination of seven professional competencies or quotients (PQ): a collection of technical knowledge and ethics (TEQ), experience (XQ), intelligence (IQ) and digital awareness (DQ), combined with interpersonal behaviours and qualities reflected in quotients for creativity (CQ), emotional intelligence (EQ) and vision (VQ).

Businesses are increasingly turning to digital to speed up processes and operations. Organisations are in a race to remain relevant to their customers and communities. This provides finance and accounting professionals with significant opportunities to play a valued role in maximising their organisation's strategic ambitions (ACCA 2017c).

In accountancy firms, particularly in the Big Four and mid-tier firms, digitization is transforming service offering and skills sought after by employers. Interviews conducted for this research show they are diversifying their recruitment base to hire staff with degrees in science, technology, engineering and maths (STEM), without necessarily enrolling them on a professional qualification track.

Some employers however believe that technology is not yet to replace professional judgement. Particularly in audit, professional accountants need to continue to master broader skills such as negotiation, the ability to communicate, listen, ask questions and sometimes hold difficult conversations.

Across the board however, employers agreed that technologies such as process automation will enable professionals to move away from time-consuming mundane tasks and focus much more on outputs and value-adding client work.



3. JOB SATISFACTION IS EVIDENT (BUT SO IS POOR WORK-LIFE BALANCE) ✓

In large accountancy firms young professionals see clear potential for progression and greater access to learning and development opportunities. Job satisfaction is higher than across any other group of Generation Next respondents, even though many stated that they have a poor work-life balance in their role.

Across all sectors, 48% of respondents said they were happy in their role (Figure 3.1). Within large accountancy firms, job satisfaction scored higher, particularly for those in the Big Four where almost 60% said they were satisfied or very satisfied with their job.

Yet more respondents in this same group stated they had poor work-life balance (Figure 3.2), particularly so for those in the Big Four. Across all sectors, 49% of respondents thought their role offered sufficiently good work-life balance; in the Big Four, only 25% of respondents thought so and 48% said their workload was too great (compared to 30% of respondents when looking across all sectors).

In fact, almost half of the respondents working in the Big Four thought their work-life balance was even worse than they had expected prior to joining the organisation; by comparison, just about a third of respondents across all sectors thought their work-life balance was worse than anticipated (Figure 3.3).

FIGURE 3.1: How satisfied are you in your current role?

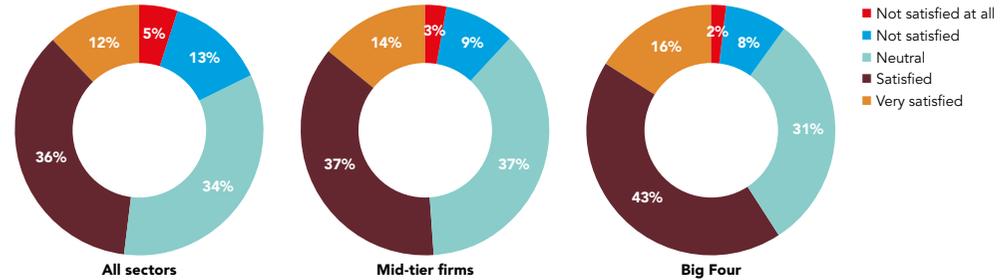


FIGURE 3.2: Work-life balance – do you agree with the following statements?

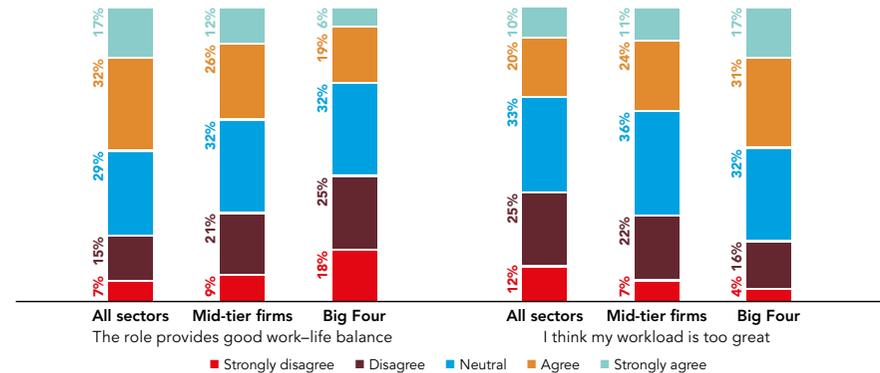
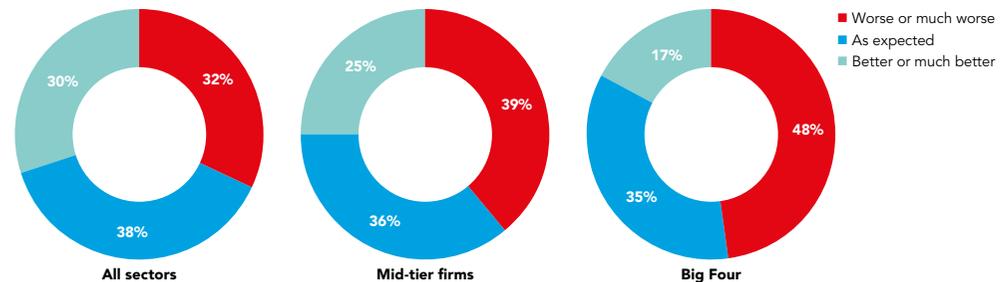


FIGURE 3.3: How has your work-life balance been since joining the firm?



Amongst respondents in the Big Four, almost 30% also said they would be ready to consider revisiting their pay package in exchange for fewer working hours, even though they were dissatisfied with their remuneration (Figure 3.4).

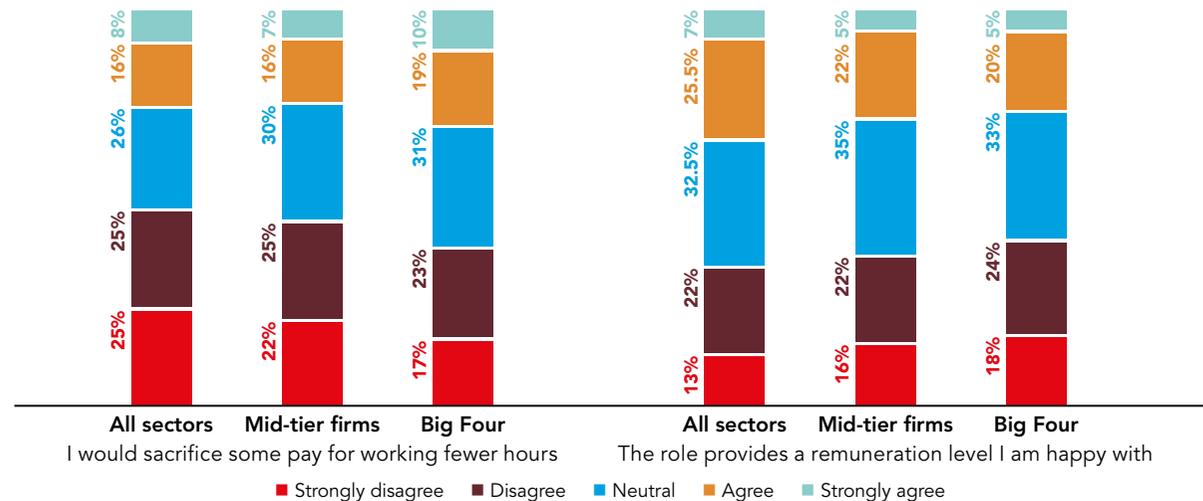
Work-life balance is becoming more and more important to younger generations and technology is seen as an enabler. Process automation can significantly help reduce the time spent on mundane low value-adding tasks, cutting down workload and allowing professionals to focus on broader problem-solving and client-facing activities.

Employers involved in this research are well aware of the significant work load that often comes with a career in accountancy firms. Many however endeavour to address this by implementing more agile ways of working, largely made possible by progress in communication technologies, as well as focussing on cultural change; for instance, by rethinking the office layout in order to encourage cross-collaboration, lessen hierarchy and promote transparency.



of those working in Big Four firms
thought their work-life balance was
even worse than they had expected

FIGURE 3.4: Remuneration – do you agree with the following statements?



4. CAREER DEVELOPMENT POTENTIAL IS A BIG POSITIVE



For respondents in large accountancy firms, career pathways are seen to be generally clear and well structured, allowing sustained professional growth.

ACCA's research on talent management in accounting and finance repeatedly points to the importance of having transparent career paths and visible growth opportunities as a means to support effective attraction and retention strategies.

Our global Generation Next survey (ACCA 2016a) demonstrated that, across all sectors of the profession, career progression and new capability development were key reasons for young professionals' decision to remain with an employer (Figure 4.1). Across large accountancy firms, the slightly lower importance given to job security compared to those in other sectors may suggest that respondents in large firms are confident they can find a role externally should they leave their employer, probably based on the recognition they expect to get from the experience gained in such organisations.

Results from the global Generation Next survey (ACCA 2016a) also showed that young professionals were generally unsure about the transparency of career pathways and the availability of progression opportunities within their current organisation; by contrast, those in large accountancy firms see career paths as very clear within their organisation, and more often than their peers in other sectors of the profession, they also see greater opportunities to achieve their career ambitions within their current firm (Figure 4.2).

Within the Big Four over 57% of respondents agreed or strongly agreed that career paths were transparent (compared with 40% of those working in mid-tier firms) and 60% said their organisation provided sufficient opportunities to achieve their career goals, a statement to which just over 43% of those in mid-tier firms agreed with (Figure 4.2).

FIGURE 4.1: Most important factors in decision to stay with an employer

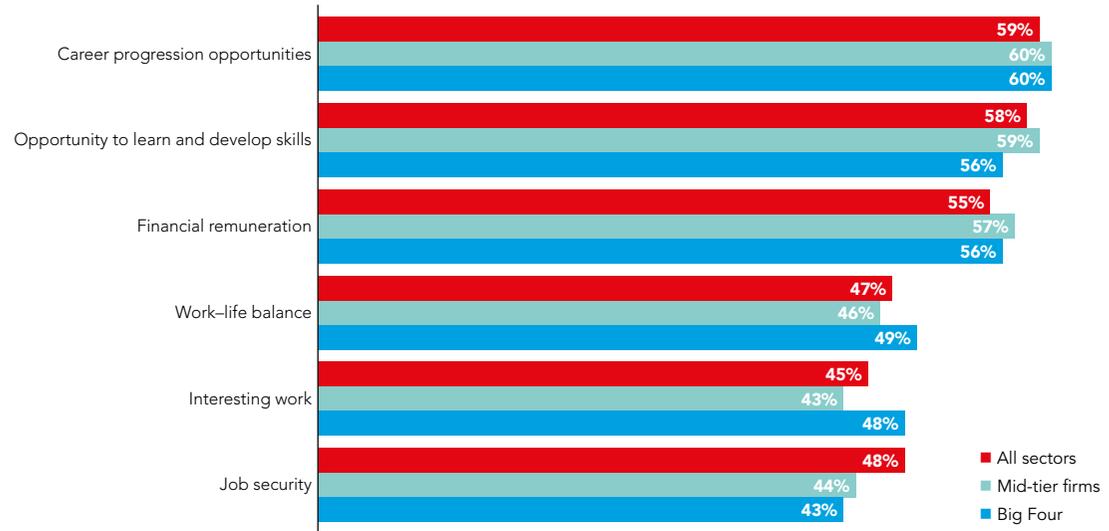
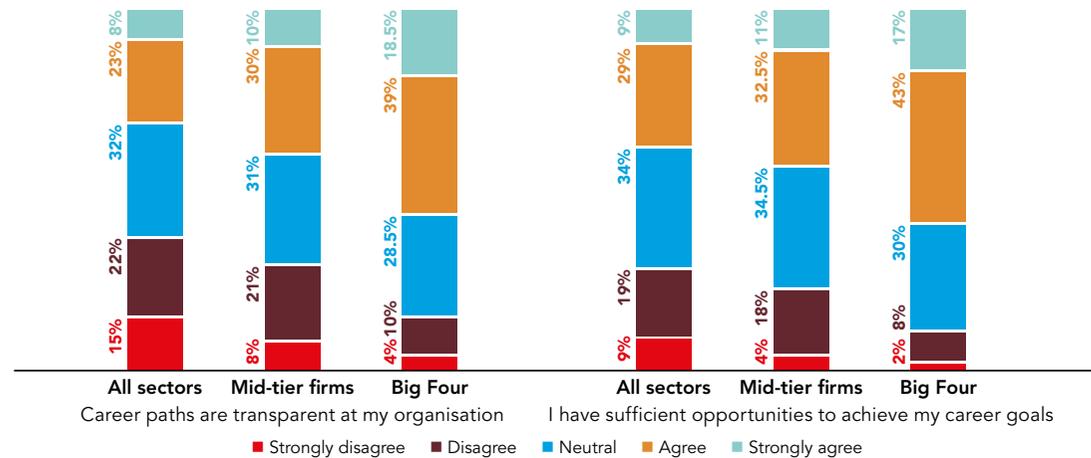


FIGURE 4.2: Career opportunities – do you agree with the following statements?



Across all sectors of the profession, over 40% of young professionals responding to the global Generation Next survey said progression opportunities provided by their current employer were generally worse than what they were expecting prior to joining the organisation (Figure 4.2a).

By contrast, respondents in large accountancy firms, particularly those working in the Big Four, said they see much more of these opportunities available in their current organisation; only 21% of those working in the Big Four thought opportunities for progression were worse or much worse than expected, and 40% said these opportunities were actually better or much better (Figure 4.2a).

Similarly in terms of learning and development, a majority of young professionals in large accountancy firms thought such opportunities were better or much better than expected (Figure 4.2a and 4.2b).

Client's expectations mean large firms must ensure staff have the right mix of technical and interpersonal skills. As a result, employers do significantly invest in high-quality learning and development programmes so that staff are kept up-to-date with changes in the regulatory landscape and international accounting standards, as well as latest innovations derived from digital disruptions such as Blockchain or other programmes designed to build softer skills such as leadership or change and people management.

FIGURE 4.2a: Perceived opportunities since joining your organisation

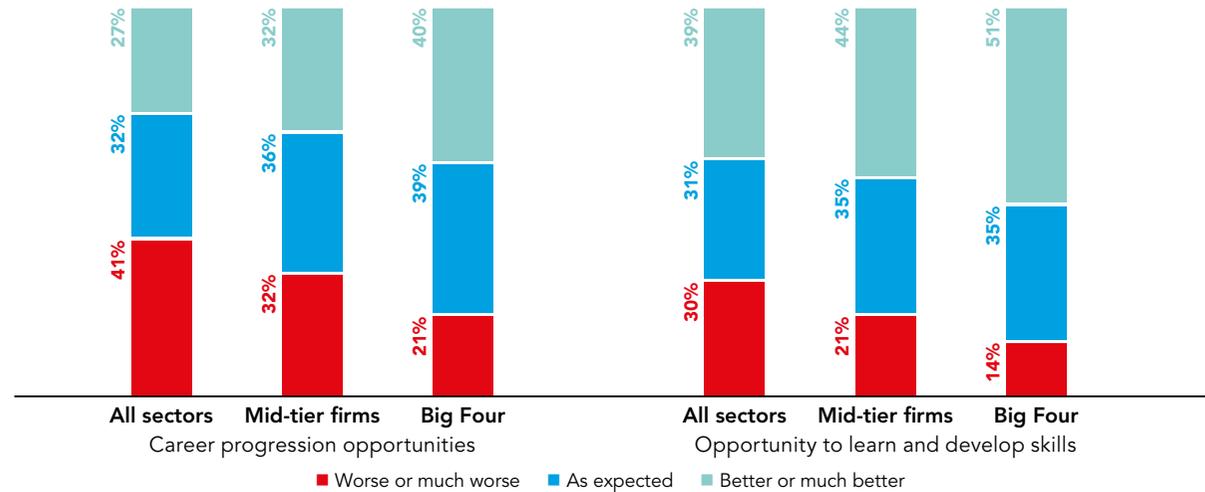
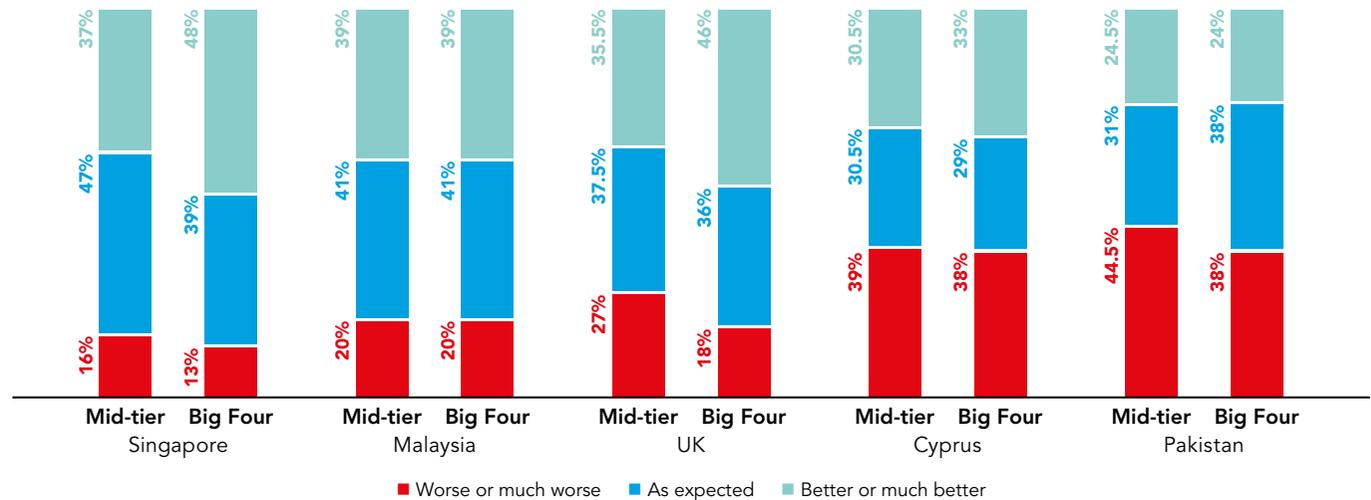


FIGURE 4.2b: Perceived career progression opportunities since joining the firm – country insights



Asking young professionals about their preferred approach to learning and development, the global Generation Next survey revealed how experiential learning through job rotation, secondment, mentoring or coaching, were seen as the most effective interventions; coaching for instance scored much higher for those in the Big Four, where this type of intervention also seems to be much more used than elsewhere (Figure 4.3b).

Interviews with employers for this study suggest that large firms are increasingly committing to implement experiential learning frameworks that also incorporate elements of flexibility and choice. For instance, by implementing rotations between functions for staff training to become qualified, or by offering external placements within the industry so that individuals get hands-on experience in business.

The size and geographic spread of larger firms also allow for secondments to be implemented across borders, leveraging firms' global network to provide staff with opportunities to gain different perspectives and contextual understanding at an international level.



FIGURE 4.3a: In your opinion, which learning activities are most effective?

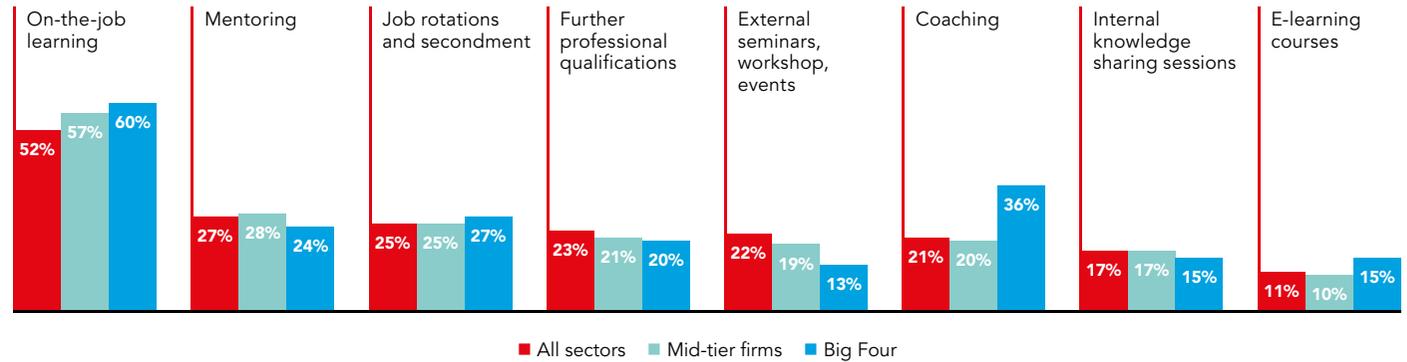


FIGURE 4.3b: In your firm, which learning activities are used most often?



5. AN APPETITE FOR FAST PROGRESSION AND GLOBAL AMBITIONS DOMINATE

Young professionals in large accountancy firms want to climb the career ladder quickly. They have global ambitions and expect to switch employers often. As they progress in their careers, many intend to seek more general business roles, and a vast majority expect to leave professional services in the future.

When asked about their career objectives (Figure 5.1), the overwhelming majority (71%) of Generation Next respondents across all sectors indicated that their most immediate goal was to progress into a more senior position in their next role.

In large accountancy firms, survey data suggest that such ambitions are even higher; particularly amongst respondents working in the Big Four, 80% of them indicated their prime aim was to gain more seniority in their immediate next role.

The majority of respondents in large accountancy firms also expressed an interest in getting a role in a different area of finance at some point in their career, with a third considering such a move in their immediate next role.

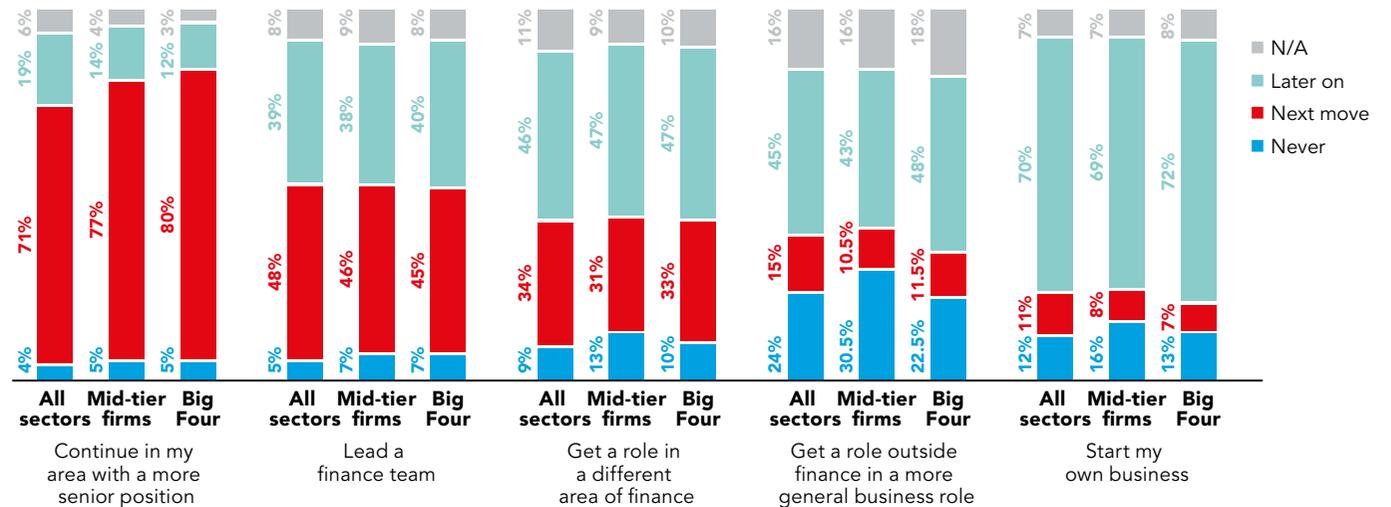
Aligned to the aspirations of respondents across all sectors, the great majority of young professionals in accountancy firms overwhelmingly expressed a desire to start their own business at some point in their career. Overall, the global Generation Next survey (ACCA 2016a) revealed how remarkably widespread the entrepreneurial spirit of younger generations is. Reflecting on this significant change, employers can seize the opportunity to promote ‘intrapreneurship’ within their organisation.



80%

of respondents working in the Big Four are aiming at a more senior role in their next move

FIGURE 5.1: Career objectives



Encouraging young professionals to undertake employee-led initiatives, e.g. transforming ideas into more effective processes or actionable business insights, employers can tap into an increasingly diverse pool of ideas and skills, which can in turn offer a critical competitive edge in an environment where organisations are constantly having to innovate to drive growth.

Ambitions to progress are also high and widespread for Generation Next across all sectors. The majority of them expect to climb the organisation fast, and even more so in large accountancy firms (Figure 5.2a); over 70% of respondents across all sectors said they would expect to move to their next role within two years, with 36% intending to change role within a year.

In large accountancy firms, respondents appear even more determined to move roles quickly; in particular in the Big Four, more than 40% of respondents there said they would like to change role within a year.

The data also suggest this is a group with extremely high ambitions and determination to progress fast, even at the earliest stages of their career. However, comparing different countries (Figure 5.2b), significant differences exist regarding the speed of progression for respondents working in the Big Four globally, perhaps reflecting the relative maturity of these economies.



75%
of all top accountancy firm
respondents expect to change
roles within the next two years

FIGURE 5.2a: How quickly would you like to move to your next role?

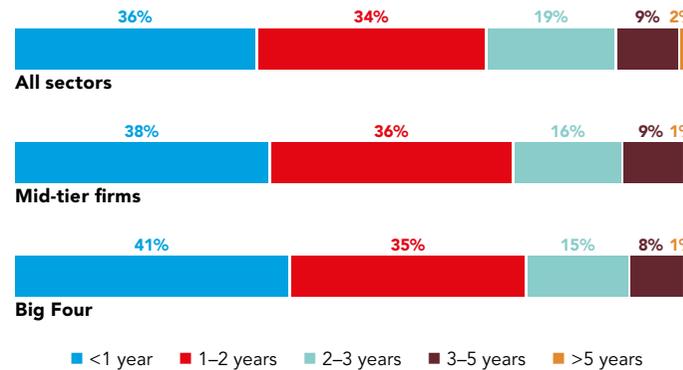
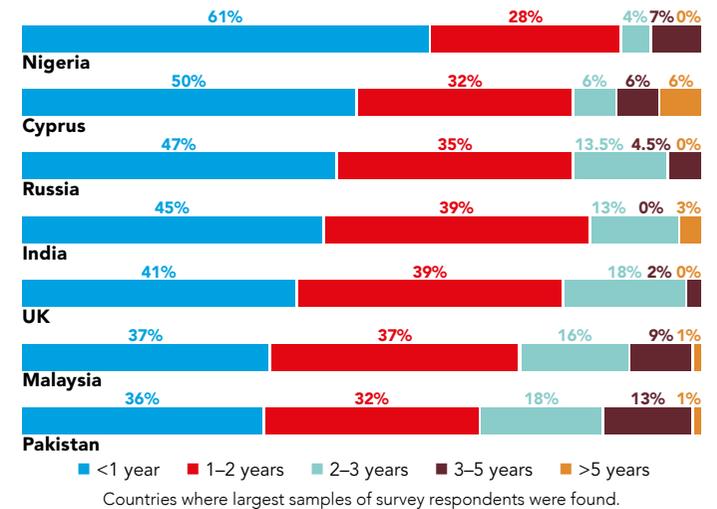


FIGURE 5.2b: How quickly would you like to move to your next role? (Big Four respondents)



Progression is upward for the majority of Generation Next respondents; across all sectors, 67% of respondents expect that the next step will be a promotion – an even greater expectation among Big Four respondents (76%) – and very few would consider a lateral move (Figure 5.3).

When it comes to their next career move, the majority of respondents across all sectors suggested they would like to move outside of their current organisation (Figure 5.4a). Within mid-tier firms, 60% of respondents said their next role would probably be with another employer. By contrast, a lower percentage of respondents in the Big Four would consider moving externally in their next role and the majority (52%) would actually seek a role within their current firm for their next career move.

Comparing mobility across a sample of countries, differences exist but on average, it seems that respondents in Big Four firms see more opportunities internally than perhaps those in mid-tier firms (Figure 5.4b).



60%
of respondents in mid-tier firms said their next role will be with another employer

FIGURE 5.3: Would you like your next move to be a promotion or a lateral move?

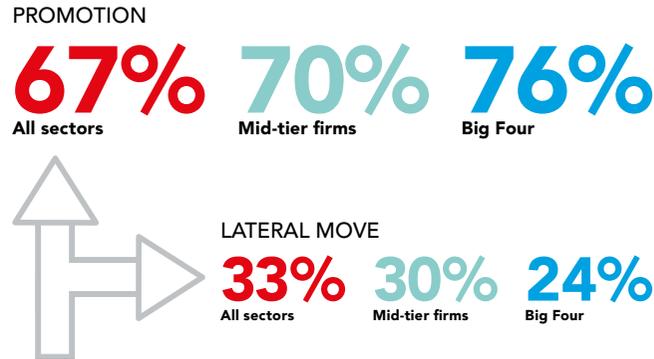


FIGURE 5.4a: Do you expect your next move to be internal or external to your current organisation?

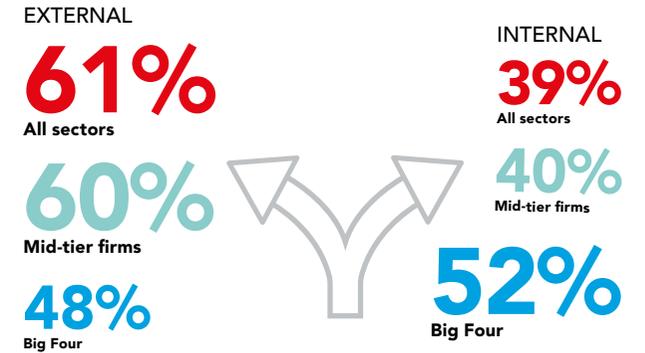
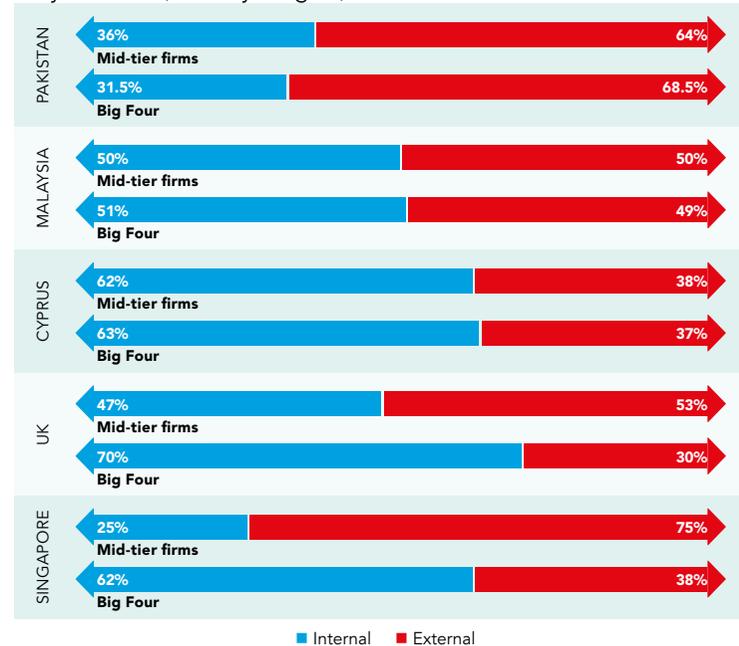


FIGURE 5.4b: Do you expect your next role to be internal or external to your firm? (Country insights)



Across large accountancy firms young finance professionals' ambitions for mobility are also global. 84% of respondents in the Big Four said they would like to get a job in a different region or country at some point in their career (Fig 5.5a) and although those in mid-tier firms may seem slightly less inclined (in the UK for example – Figure 5.5b), overall nearly 76% of them would still consider it.

Large accountancy firms are able to offer global opportunities to their staff, particularly in the Big Four where international placements are increasingly enabled. Perhaps this explains why, for Big Four respondents compared with their peers in other sectors as well as compared with those in mid-tier firms, they may have more inclination to consider a role in a different location because the opportunity exists.



84%
 of respondents in the Big Four said they would like to get a job in a different region or country at some point in their career

FIGURE 5.5a: Would you like to find a role in a different region or country?

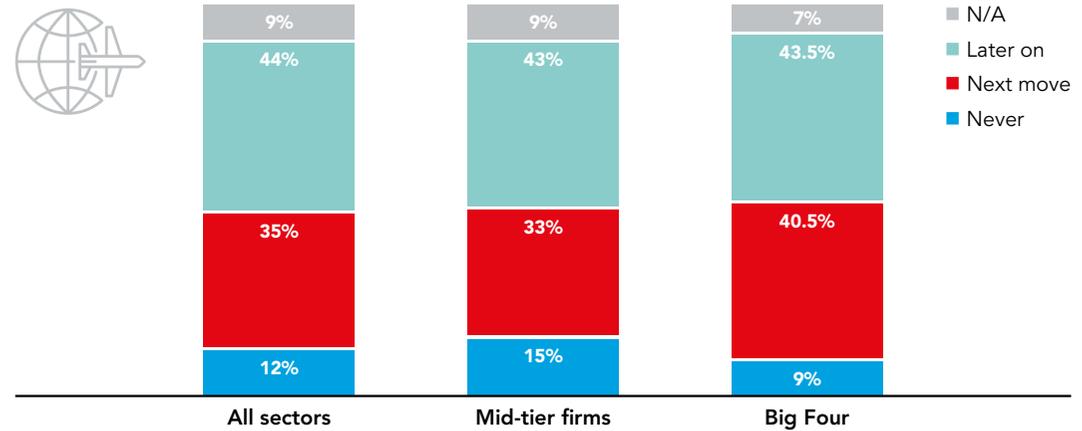
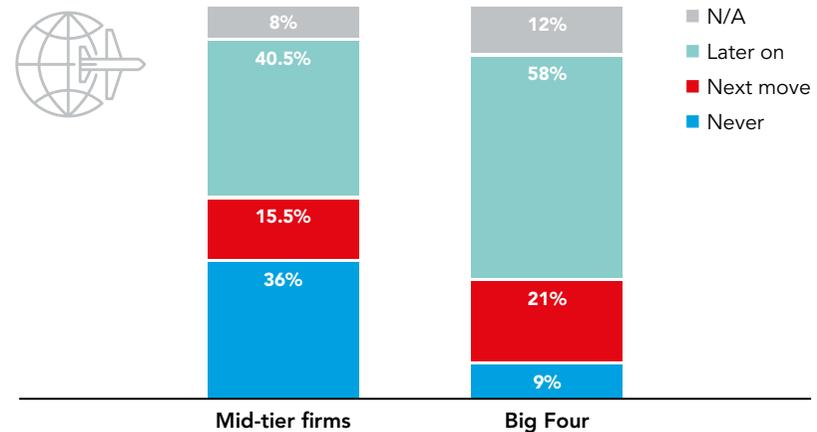


FIGURE 5.5b: Would you like to find a role in a different region or country? (UK respondents)



Looking at career ambitions in the future, the vast majority of large accountancy firms respondents indicated an intention to leave professional services (Figure 5.6). On average, 74% of all respondents in this sector said they intended to move to another sector in the future, and over half of them indicated they would like to get a role in the industry, preferably with a large corporation (Figures 5.7a and 5.7b). While the Big Four firms will continue to attract some of those leaving smaller organisations, only 1% of those working in the Big Four said they would consider moving in the opposite direction by joining a mid-tier accountancy firm later in their career.

FIGURE 5.6: In the future, would you like to change sector?

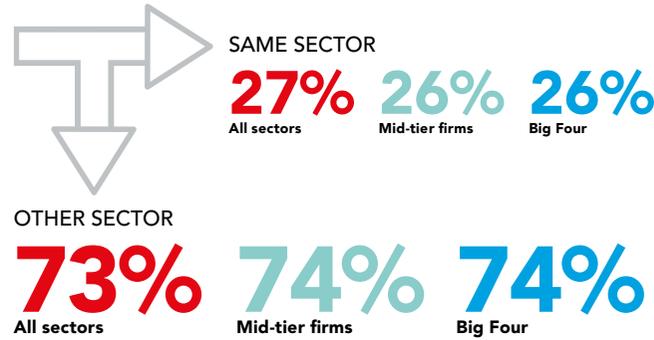


FIGURE 5.7a: Where would you go if you changed sector?

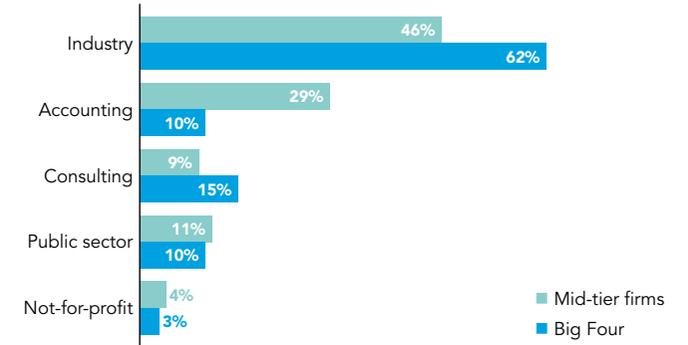
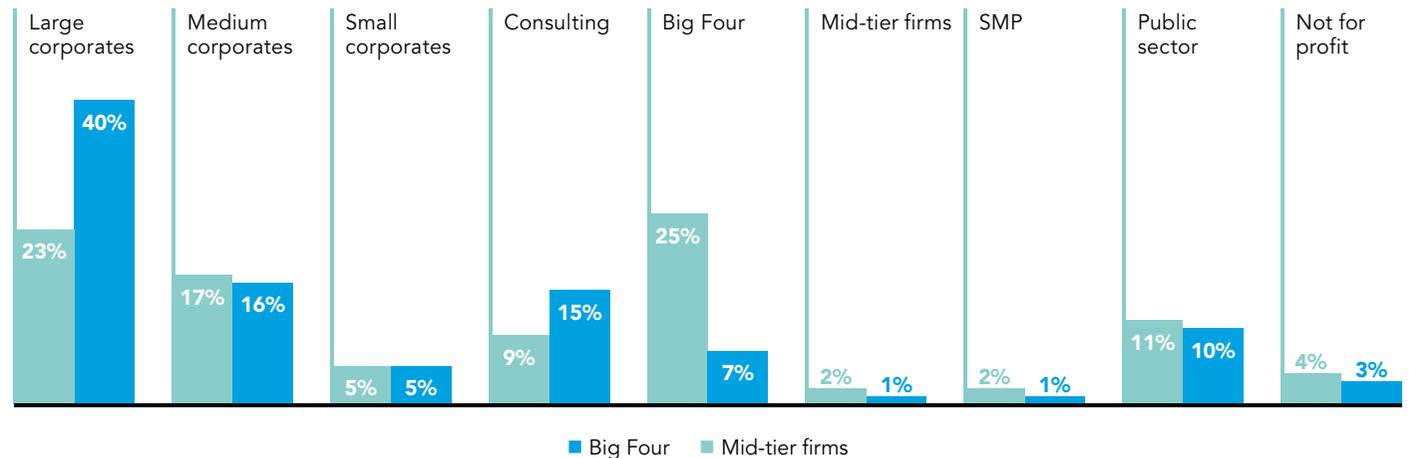


FIGURE 5.7b: Types of organisation respondents would like to join in the future




74%
of all respondents in top
accountancy firms globally
said they intended to
change sector in the future

Focus on large corporates

A significant number of respondents to the Generation Next survey indicated that in the future they would aim at joining a large corporate firm. This section undertakes a quick compare-and-contrast by exploring job satisfaction and career opportunities of those currently working in such organisations.

Out of all respondents to the Generation Next survey, over 1,000 were currently working within the retained finance function of a large corporate firm (over \$3billion turnover).

Across this group, 55% thought that their role provided a very good work-life balance and the great majority were very satisfied with their job (Figure C and D).

Although 45% thought that their organisation provided them with sufficient opportunities for achieving their career goals, many had mixed views about the transparency of career paths: more than one-third thought these were unclear (Figure E) and almost 40% said progression opportunities were actually not as available as they had expected prior to joining the organisation (Figure F).

FIGURE C: How satisfied are you in your current role?

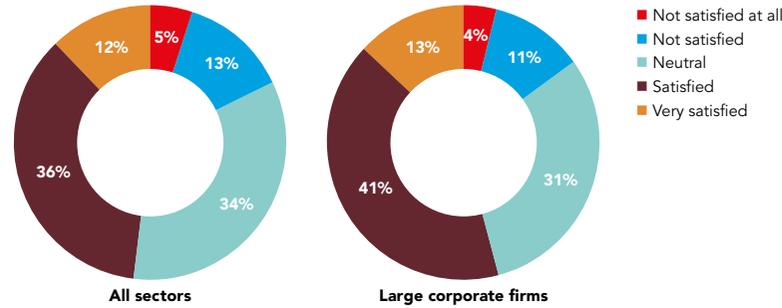
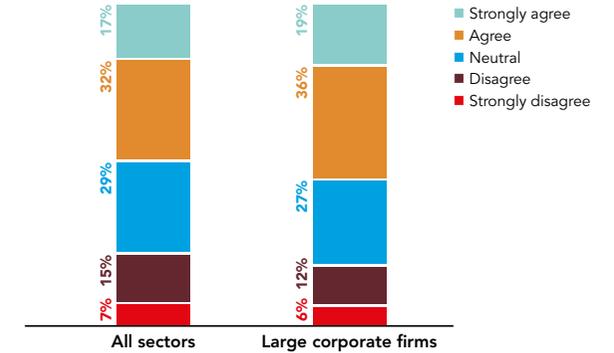
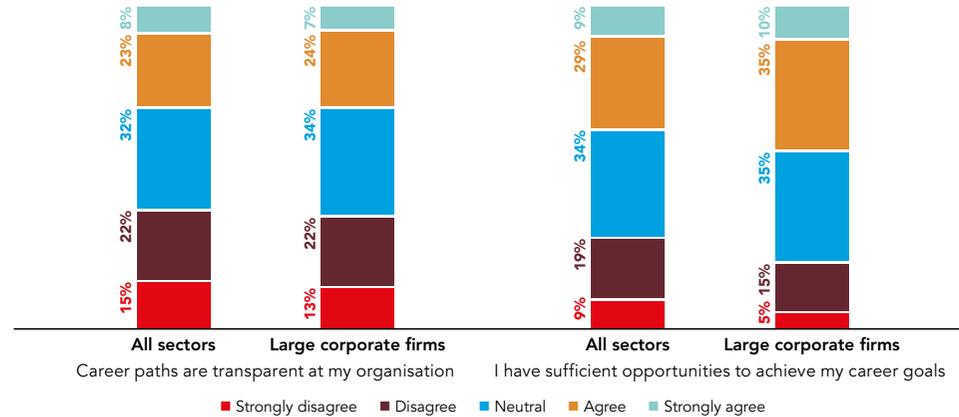


FIGURE D: The role provides good work-life balance




55%
of those working in large corporates thought that their role provided a very good work-life balance

FIGURE E: Opportunities internally – do you agree with the following statements?



In the long run, talent retention may also be an issue for these organisations. Whilst in their next role, more than half of the respondents in large corporates expect to find opportunities internally (Figure G), more than **60%** of respondents there anticipate to move out of their current organisation or sector in the future (Figure H).

FIGURE F: Opportunities since joining your organisation

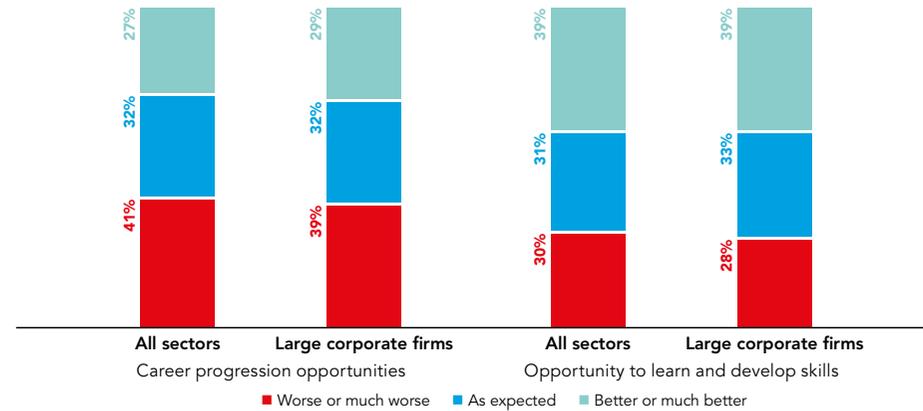


FIGURE G: Do you expect your next move to be internal or external to your current organisation?

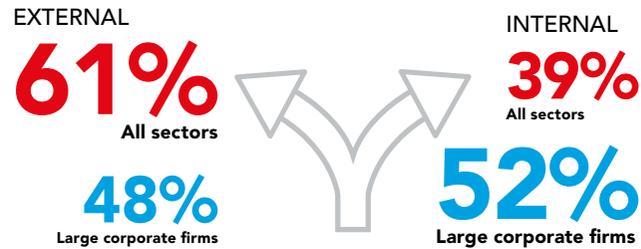
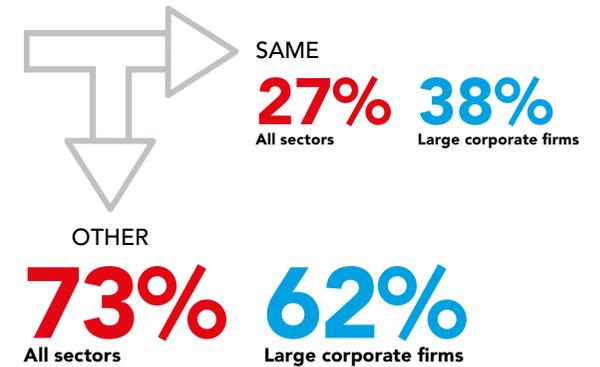


FIGURE H: In the future, would you like to change organisation or types of sector?



The way forward

For this research, ACCA engaged with a number of firms to find out how they perceived the strength of their recruitment models, and what they may be doing differently to attract, engage and retain top talent in light of changing expectations and the work habits of the younger generation. In the following section are some summary reflections of what they told us.

Visit accaglobal.com/gen-next/large-firms to read their complete stories.



LARGE ACCOUNTANCY FIRMS ARE AMONGST THE MOST ATTRACTIVE EMPLOYERS GLOBALLY

Large accountancy firms are one of the most sought after employers for those entering the accounting and finance profession.

As of 2017, the Big Four accountancy firms were all amongst the top 10 World's Most Attractive Employers (WMAE)² and in the UK, accountancy firm PwC has been in pole position of the Times' Top 100 Graduate Employers list since 2007.³

In the UK, PwC, Deloitte, EY and KPMG receive more than 80,000 graduate applications between them⁴; in 2016, PwC received 40,000 graduate applications for 1,600 positions and globally, the firm recruited over 28,000 new graduates in 2017.⁵

Over the past few years, as large firms compete to attract similar candidates, some have adopted different recruitment strategies to broaden their potential talent pools, support social mobility and help remove unconscious biases in hiring processes.⁶

Whilst volumes of recruitment are significantly lower in mid-tier accountancy firms, attraction remains a high priority (Grant Thornton was ranked 35th in the global WMAE survey) and, on average, they receive four to five times

more applications than they have positions available across all graduate jobs, internships, and work placements.

The attractiveness of large accountancy firms lies in the power of their brand and the prospect of career opportunities these firms are able to offer. For accountancy students, joining one of the Big Four or a mid-tier accountancy firm represents an opportunity to gain experience as well as time off to study so that they can complete their professional qualifications.

As the Generation Next survey showed, young professionals in accounting and finance are extremely career focused. They entered the profession with the ambition to develop their skillset and progress rapidly into more senior positions. Access to such opportunities is a key attraction factor for this generation, as well as being influential in their decision to remain with an employer [see Figure 4.1].

Large accountancy firms have clear and structured career paths which can appeal to a generation aspiring to evolve rapidly. The learning and development environment which is available in these organisations also represent a very attractive proposition, particularly to students interested in gaining a recognised professional qualification, personal development and business relevant experience.

2 2017 Global WMAE by Universum, <<http://www2.universumglobal.com/most-attractive-employers-rankings-release-2017>>

3 See *The Times Top 100 Graduate Employers 2017-2018* by High Fliers Research
<<https://www.top100graduateemployers.com/employers>>

4 'Big Four' look beyond academics, *Financial Times* (Jan 2016)
<<https://www.ft.com/content/b8c66e50-beda-11e5-9fdb-87b8d15baec2>>

5 *PwC Annual Report*, <<https://www.pwc.com/gx/en/about/global-annual-review-2017/who-we-are/people.html>>

6 June 2015: PwC UK announced it no longer uses UCAS tariff as an assessment tool for the majority of our undergraduate and graduate opportunities – receives 40,000 applications in 2016
<<https://www.pwc.co.uk/careers/student-jobs/apply/ucas-tariff-changes.html>>

September 2015: Deloitte becomes largest British business to adopt contextualised recruitment to recruit more than 1,500 graduates and school-leavers

<<https://www2.deloitte.com/uk/en/pages/press-releases/articles/largest-british-business-to-adopt-contextualised-recruitment.html>>

Top accountancy firms are committed to offer lifelong learning and development for their staff.

DEVELOPING STAFF IS AT THE HEART OF LARGE FIRMS TALENT STRATEGIES

To match business growth and demands for high level technical expertise, large accountancy firms devote a significant amount of resources to train and develop top talent. Throughout their career within the firm, staff can expect lifelong learning and professional development opportunities.

All Big Four and mid-tier firms offer internships and graduate schemes for students wanting to gain a professional qualification in audit and assurance, tax, financial advisory or risk. The support often includes time off to study and sit exams, as well as real-time simulations, in-house training courses, e-learning modules, career development workshops and access to company-wide mentoring and coaching programs.⁷

High performers are often placed on fast-track career paths and, for those with potential to become a director or partner, they would often be assigned a mentor or a counsellor to help them make their business case.⁸

Firms also endeavour to maintain a sustainable HR ratio between partners and managers and between managers and associates, to ensure that all staff are getting the right level of support and guidance they might need. For instance, at Baker Tilly Malaysia⁹, the manager to staff ratio is 1:4 and there is one partner / director for 12 staff, compared to 1 for 25 on average across Malaysia's top 10 audit firms.¹⁰

To address the young generation's appetite for diversification, choice and flexibility, our interviewees suggested some examples to encourage more fluidity between the firm's various functions.



7 See for example Deloitte Graduate Programme: <https://www2.deloitte.com/uk/en/pages/careers/articles/learning-and-development-students.html>

8 See our video on the future road to partnership here: <http://careers.accaglobal.com/careers-advice.html>

9 Read Baker Tilly Malaysia story here: www.accaglobal.com/gen-next/large-firms

10 Audit Oversight Board Annual Report 2016, Securities Commission Malaysia.

Young professionals are increasingly concerned with their work-life balance.

At KPMG Canada for instance, while recruits traditionally would have been primarily focused on service lines – tax, audit or advisory – the firm is currently experimenting with trainees rotating through different functions to build more understanding of the business and help junior staff find their natural place and fit in the firm.¹¹

Besides this, and by the nature of their size and geographic reach, many are also able to offer secondment opportunities and international placements to their staff. For instance, PwC reported in its 2017 annual report that 2,536 people were currently on long-term international assignments from 115 PwC firms around the world.¹²

RETAINING TALENT IN THE LONGER TERM PRESENTS A CHALLENGE

The Generation Next survey (ACCA 2016a) showed how ambitious and career-driven young professional accountants are today; their appetite for development and progression means that they will be ready to switch employer quickly in order to achieve their career goals. Many have a desire to explore roles globally and beyond traditional finance, and an overwhelming majority said they would consider starting their own business at some point in their career.

Amongst respondents working in large accountancy firms; the data suggests that young professionals in this sector also have global ambitions and entrepreneurial aspirations. More than in other sectors across the profession, many see sufficient opportunities to progress and develop within their current firm; however the great majority (75%) still expect to exit the sector within 3 to 5 years [see section 5].

Different reasons explain this pattern. For employers involved in this research, the hierarchical structures on which large firms are built inevitably lead to high rates of staff turnover. Moving up the organisation, fewer positions become available and rising expectations for technical expertise as well as broader interpersonal skills means access to more senior positions are highly selective and competitive.

Employers recognise that not all new joiners will want to pursue a lifetime career in professional services. They also acknowledge that the intense personal involvement required in such working environments can explain why some would choose to leave the firm once they have completed their professional qualification.¹³

Also, newly qualified professionals are highly marketable and will often seek to maximize the well-regarded experience and technical training gained in those firms to pursue roles in other sectors, perhaps where working arrangements may be considered to be less demanding. The Generation Next survey demonstrated that young professionals are increasingly concerned with their work-life balance and, in large accountancy firms, particularly in the Big Four, many identified the heavy workload that would usually come with their role [see section 3].

Our interviews with employers suggest that large accountancy firms devote a lot of time and effort in embedding first-class talent management practices. In order to retain those which the firm wants to see staying, and secure a strong and sustainable pipeline of talent for tomorrow's leadership positions, those employers are engaged in a number of initiatives, designed to address changing work preferences and better advertise the value of a long-term career with their firm. Some of these initiatives include the following:

1. Redress work-life imbalances

Large firms are taking steps to improve the work-life balance for their staff. Innovations in telecommunications are allowing for much greater 'agile' working, while the implementation of further process automation technologies significantly reduces workloads.¹⁴ Large firms also increasingly dedicate resources to support women returning to work programmes, and where possible, enable part time working arrangements for carers.¹⁵

2. Promote transparency and involve staff

Some of the employers interviewed for this research discussed the importance of being more transparent with staff. Increasingly, firms promote flatter structures, with all staff on open plan floors and no corner offices. A partner interviewed for this study suggested, while in the past 'you worried when the partner wanted to talk to you, these days they'd be worried if we didn't'; for him, the physical transparency aims to match the business transparency.¹⁶

Particularly in Asia, employers interviewed discussed the importance of corporate culture in retaining talent. Creating an atmosphere of openness, inclusion and respect based on ongoing personal interaction enables partners to share elements of business and the firm, and staff can see that partnership is attainable, even at a young age.

11 Read KPMG story here: www.accaglobal.com/gen-next/large-firms

12 PwC 2017 Annual Report, <<https://www.pwc.com/gx/en/about/global-annual-review-2017/who-we-are/people.html>>

13 Read EY story here: www.accaglobal.com/gen-next/large-firms

14 Read the story of PwC in Nigeria here: www.accaglobal.com/gen-next/large-firms

15 See the conversation with Deloitte in London here: www.accaglobal.com/gen-next/large-firms

16 Read the story of Grant Thornton in Singapore here: www.accaglobal.com/gen-next/large-firms



Where such culture exists, firms have seen results: some who left the firm returned shortly afterwards realising that they wanted that sense of belonging, that feeling of family.¹⁷

3. Make internal opportunities more visible

Talking to employers globally, there was a general consensus that firms should communicate better the range of internal opportunities for professional development, career progression and lateral moves. Many large firms already hold regular internal career fairs and some have built apps to allow their staff to easily and quickly see the current opportunities the firm is offering, helping them find assignments which are of interest so they can develop experience in the areas of their choice.¹⁸

Increasingly, large firms are also arranging placements in industry e.g. in banking or with private equity funds, so that staff can gain business experience while fulfilling their aspiration for broader roles and responsibilities.¹⁹

4. Focus on experienced hire

For some employers, massively recruiting very young staff may be part of the reason why retention is a challenge. Employers²⁰ recognise that young entrants to the job market cannot emerge from education 100% job-ready and with a long-term career plan clearly set out; as work is changing, skills required are evolving

and new business models are emerging, some of tomorrow's jobs may not even be known today, creating an even greater need for effective life long learning.

To cope with potential skill gaps, and in the face of constant changes driven by technology and globalisation, employers in large accountancy firms do invest significantly in training their staff. Rising demands for specialists however means that some firms are focussing on hiring more experienced professionals.

THE ROAD AHEAD

Clients' expectation for high level technical skills, business understanding, critical thinking, integrity and emotional intelligence, places the war on talent at the centre of large firms' growth strategy, but the challenge also seems to lay further up the career ladder. As discussed, whilst large firms are increasingly engaged in adapting their approach to recruitment and development practices to broaden the diversity of their talent pool and ensure the quality of learning is best in class, retaining the best and brightest, particularly post-qualification, and securing a pipeline of suitable candidates for directorship and partnership positions appears more problematic. Employers may want to reconsider talent management practices at this level to include some of the recommendations put forward in this report.

¹⁷ Find out more about the culture at Baker Tilly Malaysia here: www.accaglobal.com/gen-next/large-firms

¹⁸ Learn more about PwC's innovations in Nigeria here: www.accaglobal.com/gen-next/large-firms

¹⁹ Read the story of KPMG Ireland here: www.accaglobal.com/gen-next/large-firms

²⁰ Read the story of RSM UK here: www.accaglobal.com/gen-next/large-firms.

Conclusion

Overall, data from the Generation Next survey in large accountancy firms tends to demonstrate that, from the start of their careers, those in accountancy firms focus on progressing fast within the confines of more traditional roles.

However after a few years, possibly once they have completed their training and qualified as professional accountants, many are leaving accountancy practices to join the industry.

Some are perhaps leaving the sector to restore more balance in their lives. Some may also intend to capitalise on the brand power these firms hold, and the authoritative expertise they have gained through training, to look for different opportunities in the corporate sector.

With global prospects, rapid technology changes, and new exciting business models disrupting traditional roles in finance and accounting, younger professionals are more and more inclined to explore the breadth of opportunities they may access, and only a minority may consider professional services as a long-term career option.

Many of those entering the profession today aspire to develop their careers above and beyond, leading to new challenges for the profession. To retain top talent, accountancy firms are engaged in a number of initiatives to address the younger generation drive to progress professionally and expand their skill sets, sometimes outside the traditional remit of finance and accounting roles. This report provides insights into these reflections and offers best practice recommendations to improve talent retention in a world of constant change.

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